

Status of Mayor and City Council Referrals

2004-2005 Adopted Budget

Referral	Resolution
Provide a List of 100 Vacant General Fund Non-Uniform Public Safety Positions to be Eliminated Immediately	Report provided. General Fund 100 Vacant Positions Elimination Plan approved by City Council on March 23, 2004.
Present Budget Reduction Proposals for Consideration for Early Implementation	2004-2005 Adopted Operating Budget: Accelerated Proposals memorandum was approved by City Council on May 4, 2004.
Use Economic Uncertainty Reserve to Help Balance General Fund Budget if No Salary and Benefit Increases for One Year is Agreed to by All Bargaining Units by April 1, 2004	By April 16, only one bargaining unit accepted no salary or benefit increases for one year. Therefore, use of the Economic Uncertainty Reserve was not recommended in the Proposed Budget General Fund balancing strategy. A use of a portion of the Economic Uncertainty Reserve was part of the Proposed Budget Compensation/State Budget Impact Contingency Plan detailed elsewhere in this document. With City Council approval of the Mayor's June Budget Message, however, a portion of the Economic Uncertainty Reserve was utilized for final budget balancing actions and removed from the Compensation/State Budget Impact Contingency Plan.
Explore Opportunities to Accelerate Transfer of Employees from General Fund to Special Fund	Accelerated transfers have been approved on a case-by-case basis as part of the Hiring Freeze Committee process.
Supply a Plan to Defer/Exchange New Facilities Openings	Recommendations to defer facility openings where significant operating and maintenance costs would occur were approved in the Library, Parks and Community Facilities, and Public Safety Capital Programs. Details can be found in the 2004-2005 Adopted Capital Budget document.
Use Workers Compensation Reserve to the Fullest Extent Possible to Fund Employee Training	Reviewed, but not recommended or included in the Adopted Budget.

Status of Mayor and City Council Referrals (Cont'd.)

2004-2005 Adopted Budget

Referral	Resolution
Explore Establishment of a New Emergency Response ("911") Fee	A recommendation to implement such a fee was an integral part of the Administration's Proposed General Fund budget balancing strategy and a Manager's Budget Addendum, with a more detailed discussion, was provided. With City Council approval of the Mayor's June Budget Message, however, the implementation of the Emergency Communication System Support Fee was not utilized for final budget balancing actions, but rather was included as part of the Compensation/State Budget Impact Contingency Plan.
Explore Ways to Lower City Costs for Employee Health Care Options	Options to accomplish this goal is part of the negotiation process with all City bargaining units during this year's cycle of negotiations.
Work with Other Counties/Jurisdictions to Ensure No Overlap in Services Provided	Active discussions took place during the budget process with other jurisdictions in the County, with San José represented by the Assistant City Manager. An informational memo was distributed as a Manager's Budget Addendum during the budget process.
Focus on Protecting Vital Core City Services	One of the key criteria used to craft the Administration's budget strategy was the preservation of core City services.
Explore New Revenue Sources	In addition to the Emergency Response Fee already discussed, the balancing strategy included recommendations involving a number of other revenue options. These options were described in general terms in the City Manager's Budget Message, and in more detail in the General Fund Revenue Estimates section of this document.
Focus on Using Resources to Stimulate Local Economy/Job Creation	Balancing strategies were formulated with the intent to preserve, to the extent possible, services and programs focused on economic development and job creation.

Status of Mayor and City Council Referrals (Cont'd.)

2004-2005 Adopted Budget

Referral	Resolution
Do Not Enter into New Commitments that Can Not be Funded	No new program commitments were approved in the Adopted Budget, except where the commitments had their own funding source (e.g., grant reimbursements).
Continue to Preserve a Portion of Reserves for Future Deficits	<p>The Proposed General Fund balancing strategy recommended use of only a portion of the 2004-2005 Future Deficit Reserve and, as discussed above, recommended preserving all of the \$15.8 million Economic Uncertainty Reserve for future economic issues. The Compensation/State Budget Impact Contingency Plan included recommendations to utilize the remainder of the 2004-2005 Future Deficit Reserve, but less than half of the Economic Uncertainty Reserve. In light of the forecasts for future year shortfalls, it was recommended that under no circumstances should all of both of those reserves be committed to balancing the 2004-2005 budget.</p> <p>With City Council approval of the Mayor's June Budget Message, however, two reserves were utilized for final budget balancing actions: First, the remaining portion of the 2004-2005 Future Deficit Reserve was utilized and, second, a portion of the Economic Uncertainty Reserve was utilized with portions of both reserves removed from the Compensation/State Budget Impact Contingency Plan.</p>
Reduce Vacant Positions, Redeploy Staff, and Save Filled Positions as Much as Possible	One of the key strategies employed in the Adopted Budget was to take advantage of the many vacancies accumulated as the result of the hiring freeze that the City has maintained since fall 2001. Although this certainly lessened the number of filled positions that were affected, the severity of the financial situation was such that approximately 141 filled positions were approved for elimination in the Adopted Budget.

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Streamline, Innovate, and Simplify Operations	Streamlining and simplification of processes was incorporated across all departments in formulating expenditure reductions.
Be Open to Alternative Cost-Effective Service Delivery	All programs were evaluated for alternative service delivery methods. A number of significant service delivery alterations were included in the Adopted Budget. Included were actions to merge and/or reorganize service delivery models, bring programs in-house where that was more cost-effective, and to contract out services where appropriate and within the context of existing bargaining unit agreements.
Work With Employees to Limit Layoffs	Discussions took place during the entire process with all bargaining units to develop options for controlling payroll costs in order to limit both service and employee impacts. In addition, suggestions for cost cutting measures were solicited from employees in a variety of ways. A large number of suggestions were received, evaluated and, where appropriate, incorporated into the Adopted Budget balancing strategy.
Set Fees and Charges to Recover Costs	Where feasible, all fees and charges were approved at levels that would result in full recovery of program costs. A detailed discussion of the fee changes was included in the 2004-2005 Fees and Charges Report, released under separate cover.
Resident Preference for Fees and Charges	Resident preference fee structures was considered and included where appropriate.
City Department Budget Reductions Should Be Applied at the Same Level as Community-Based Organization (CBO) Budget Reductions	The reductions approved for CBOs were at the approximate percent average of the reductions for all non-public safety City Service Areas (12.2%).

Status of Mayor and City Council Referrals (Cont'd.)

2004-2005 Adopted Budget

Referral	Resolution
Develop a Balanced Budget Assuming No State Impact	The Adopted Budget included a Tier One budget plan which balanced the approximate \$69.8 million local projected shortfall. As directed, this Tier One strategy assumed no specific impact from State budget balancing actions.
Do Not Bring Forward Reduction Proposals Explicitly Rejected Last Year	Reductions explicitly rejected as part of the City Council's acceptance of the Mayor's 2003-2004 Final Budget Modifications Message were not included in this Adopted Budget.
Develop a Prioritized Budget Plan for State Impact	The Proposed Budget included a "Tier 2" – 2004-2005 Compensation/State Budget Impact Contingency Plan that contained a prioritized listing of recommended actions totaling \$35 million, to be used either to offset State budget impacts, or to offset employee compensation increases which exceeded the assumptions used for budget development. With City Council approval of the Mayor's June Budget Message, the Administration's Plan was revised with altered budget proposal priorities, utilization of the reserves for "Tier 1" budget balancing actions, the creation of a new Compensation/State Budget Impact Contingency Plan Earmarked Reserve, and the movement of the new Emergency Communication System Support Fee from "Tier 1" to this Plan.
Reserve Funds to Adequately Fund Each Appointee's Office and the Mayor/City Council Offices, with an Across-the-Board Reduction Equal to the Average Reduction Proposed for Non-Public Safety Departments	The Adopted Budget contained allocations for each Appointee Office as well as the Mayor/City Council Offices based on reductions that were calculated at the percentage reduction level of all non-public safety City Service Areas (12.2%).
Maximize Reductions to Ongoing Programs	The Adopted Budget contained a balanced set of proposals that maximized ongoing reductions/revenue enhancements to the extent possible, while still preserving as much of the City's core services as possible.

Status of Mayor and City Council Referrals (Cont'd.)

2004-2005 Adopted Budget

Referral	Resolution
To the Extent Possible, Recommend Fee Increases Rather than Program Reductions	As discussed above, the Adopted Budget included a series of fee increases, where they were determined to be appropriate, and would not result in undue negative impacts on stakeholders. Included were increases in the Recycle Plus, Storm Sewer, Sewer Service and Use Charge, and Municipal Water fees, along with increases necessary to maintain cost recovery levels in fees included in almost all departments. The details of most of these fee revisions can be found in the 2004-2005 Fees and Charges Report that was released under separate cover.
Pursue Grant Opportunities to Support Programs in Priority Areas	Grant opportunities for priority areas continue to be actively explored. The Adopted Budget did not contain any reductions that will cause the City to lose grant funding or prevent leveraging funds from other sources.
Include Council Appointees Budget Reduction Proposals Under the Strategic Support CSA	The Adopted Budget utilized the directed format.
Focus on Mayor/Council's Six Core Priorities as described in the Mayor's March Budget Message	The Core Priorities were a cornerstone criteria used to formulate Adopted Budget strategies.
Proposals Must Quantify Level of Service, Impact on Position Reductions, and Potential Cost Savings	All budget proposals included projected performance impact information.
Provide Council Members with Schedule for Cost-Saving Ideas	A schedule for this process was provided to City Council Offices under separate cover.
Evaluate Level of Airport Shuttle Service/Repairs	An evaluation was performed and appropriate funding levels approved in the Adopted Budget.

Status of Mayor and City Council Referrals (Cont'd.)

2004-2005 Adopted Budget

Referral	Resolution
Expand Abandoned Vehicle Spotter Program Citywide	The Adopted Budget includes an expanded abandoned vehicle spotter program with no additional resources required.
Implement a Fire Prevention Fee Program with Re-Inspection Fees for Facilities with Chronic Fire Safety Problems	This change was addressed in the Fire Fee Program.
Develop a Strategy to Use the Former Main Library to Expand the San José Museum of Art	An informational memo regarding this issue was distributed as a Manager's Budget Addendum during the budget process.
Analyze Industry Preferred Levels and Costs for the Building Fee Program	Analysis completed and recommendations developed in collaboration with industry representatives. The details of the Adopted Budget fee structure are described in the 2004-2005 Fees and Charges Report that was released under separate cover.
Proposed Public Safety Reductions Should Not be Offset by Overtime Expenditures	Public safety reduction proposals were formulated to utilize only savings that would not be offset by additional overtime requirements.
Charge Fees to Other Jurisdictions for Non-Emergency Responses to Mutual Aid	A new fee for this purpose was approved as part of the Public Safety Fees and Charges Program and described in the 2004-2005 Fees and Charges Report that was released under separate cover.
Evaluate the Possibility of Public Safety Grant Writing Consolidation	An informational memo regarding this issue was distributed as a Manager's Budget Addendum during the budget process.
Reduce Patrol Staff Only as a Last Resort	No reductions to Police Patrol Staff were recommended in the Tier One budget balancing strategy. The Compensation/State Budget Contingency Plan does, however, include proposals (prioritized last) that would reduce patrol staff capacity.

Status of Mayor and City Council Referrals (Cont'd.)

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Referral	Resolution
Develop a Strategy to Ensure the City is Ready to Handle the Transfer of Cellular 911 Calls	A strategy to handle this transfer was developed, but implementation of this transition was recommended to be contingent on the adoption of a new Emergency Communication System Support Fee. An informational memo regarding this issue was distributed as a Manager's Budget Addendum during the budget process.
Partner with Other County Jurisdictions to Provide Police/Fire Academies and Reduce Costs	An informational memo regarding this issue was distributed as a Manager's Budget Addendum during the budget process.
Evaluate Metro Cross-Training Opportunities for Patrol Officers	As part of this budget process, the Police Department considered additional cross-training opportunities for patrol officers to respond to incidents typically handled by the Metro Unit. Patrol officers are already trained to handle the type of Metro Unit activities such as crowd control, street level narcotics enforcement, prostitution enforcement, and surveillance. The Department believes that the advantages of continuing to maintain a separate unit allows the development of operational strategies and team coordination that would not otherwise be developed by using patrol officers solely for this function.
Evaluate Shifting Police Department Permit Unit Responsibilities to Other Departments	This issue was evaluated, but not included in the Adopted Budget. Many of the permits administered by the Police Department require the type of background checks that can only be conducted by Police Department sworn personnel.
Raise High Tech Investigation Unit Threshold for Triggering Investigations	The High Tech Investigation Unit threshold for triggering investigations was raised as part of the Adopted Budget.

Status of Mayor and City Council Referrals (Cont'd.)

2004-2005 Adopted Budget

Referral	Resolution
Use Patrol Staffing Software to Develop Opportunities for Officer Deployment Efficiency	An informational memo regarding this issue was distributed as a Manager's Budget Addendum during the budget process.
Explore All Fire Alternative Apparatus Deployment Strategies to Reduce Costs	A complete review of Fire apparatus deployment strategies and potential cost saving modifications was conducted as part of the budget process. A number of proposals to alter deployment of certain specific apparatus were recommended as part of the Proposed Budget. With City Council approval of the Mayor's June Budget Message, however, the Administration's Plan was changed to restore the recommended apparatus reductions and instead achieve cost savings through the redeployment of Hazardous Incident Team staff, contingent on the appropriate meet and confer process.
Evaluate the Efficiency of the Dedicated Hazardous Incident Team	In conjunction with the City Auditor, the Budget Office and the Fire Department conducted a full review of the utilization and potential modifications to current Hazardous Incident Team resources. The City Auditor also issued a separate report on this issue. No modifications to the current Team complement was included in the Tier One budget balancing plan recommended by the Administration. The Compensation/State Budget Impact Contingency Plan contained a proposal to reduce the resources allocated for this unit. With City Council approval of the Mayor's June Budget Message, however, the Administration's Plan was changed to accelerate the redeployment of Hazardous Incident Team staff.

Status of Mayor and City Council Referrals (Cont'd.)

2004-2005 Adopted Budget

Referral	Resolution
Reductions in Anti-Graffiti and Anti-Litter Programs Should be in Terms of Response Time Only	A reduction to the Anti-Graffiti program was approved in the Adopted Budget. The reduction will impact response times of the current program, but quality of eradication efforts should not be adversely impacted.
Maintain Basic Senior Services with Consideration for Their Future Needs	No core senior citizen services were significantly impacted in the Adopted Budget balancing strategy.
Evaluate Library Media Distribution to Reduce Costs	Approval to eliminate the service currently provided where media (DVDs, CDs, etc.) items are both held and transferred to the branch of the patron's choice is included in the Adopted Budget. Patrons will still have full access to media items at any branch they choose to visit.
Reduction of Branch Libraries Hours of Service and Public Access Should be Spread Among All Branches to Minimize Impact on Customers	No reductions to Branch Library hours were included in the Tier One budget balancing strategy. The Compensation/State Budget Impact Contingency Plan, does, however, include a proposal to reduce branch library hours. This reduction was structured to minimize customer service impacts to the extent possible.
Keep Child Traffic Safety Program Intact	The Adopted Traffic Capital Budget includes funding to keep intact the Street Smarts Public Education Campaign and the traffic safety in schools program.
Evaluate Implementation of New Energy Efficient Streetlight Technology	An informational memo regarding this issue was distributed as a Manager's Budget Addendum during the budget process.
Evaluate Implementation of New Parking Meters Technology	An informational memo regarding this issue was distributed as a Manager's Budget Addendum during the budget process.

Status of Mayor and City Council Referrals (Cont'd.)

2004-2005 Adopted Budget

Referral	Resolution
Provide a Comparison of Neighboring Cities' Citation Fees Including Recommendations for Consequent San José Fee Adjustments	Fee comparison was performed and approval to increase some citation fees to bring them to levels common in neighboring cities was included in the Adopted Budget. A discussion of the specifics of the comparisons and fees to be increased was provided in the 2004-2005 Fees and Charges Report, released under separate cover.
Vehicle Fleet Issues <ul style="list-style-type: none"> • Mileage Reimbursement vs. City Vehicles • Replace Unmarked Police Vehicles Using Regular Fleet Schedule • Rotate Marked Vehicles to the General Fleet • Assign New Marked Vehicles to the General Fleet • Reduce Costs in Fleet Management • List Recommendations for Vehicle Elimination • Environmental Procurement for Vehicles 	An informational memo regarding the various issues that have been raised through recent audits of the vehicle fleet program was distributed as a Manager's Budget Addendum during the budget process.
Evaluate Consolidation of Fire Inspection Billing For Streamlining and Cost Saving Opportunities	Potential consolidation options still under review. No specific recommendations for budgetary changes that might be required for such a consolidation, however, were included in this budget.
Implement a Business Tax Amnesty Program	A Business Tax Amnesty Program was approved in the Adopted Budget.